

Funny Money

The Nation has information that the Brown Foundation, Inc., of Houston, Tex., set up by the late Herman Brown and his brother George R. Brown and others, has been channeling big money into at least one Central Intelligence Agency conduit foundation and into at least one organization partly supported by the CIA. If it was not inevitable, at any rate it is not surprising, to discover that the founders of Brown & Root—the giant construction firm that for years has been the closest financial ally of Lyndon Johnson—is a patron of the CIA spies.

In fiscal 1963 the Brown Foundation gave \$50,000 and in fiscal 1964 it gave \$150,000 to the American Friends of the Middle East, a pro-Arab and anti-Zionist organization whose CIA ties were first disclosed in *The Nation* ("The Beneficent CIA" by Robert C. Sherrill, May 9, 1966).

In fiscal 1963 the Brown Foundation also gave \$150,000 to the Vernon Fund. The Brown Foundation's returns, as filed with the Internal Revenue Service, show a gift of \$100,000 in 1964 to the "Verda Fund," but the IRS's Cumulative List does not record any such organization, and "Verda" is virtually certain to have been a

stenographer's blunder in writing Vernon. (No accounting later than 1964 has been made public by the Brown Foundation.) The Brown Foundation thus becomes by far the largest contributor to the Vernon Fund, which during the CIA-foundation exposures earlier this year was shown to be in the CIA money pipe line.

This brings to at least seven the number of CIA-conduit foundations known to be operating now or in the recent past out of Texas, the others being the San Jacinto Foundation, the Marshall Foundation, the Anderson Foundation, the Hoblitzelle Foundation, the Jones-O'Donnell Foundation and the Hobby Foundation, operated by Oveta Culp Hobby, former Secretary of HFW under Eisenhower, and her son William Hobby, Jr., executive editor of the *Houston Post*. Both are personal and political friends of the President; Hobby has said he was "proud to serve the CIA and would do it again."

From the few facts known to the public there is no indication that Texas-based foundations are any more susceptible to romancing by the CIA than are those based in other areas. But inasmuch as Congressman Wright Patman, the U.S. House of Representatives' most aggressive foundations critic, is from Texas, and inasmuch as the Hobbys and the Browns and some of the other rich foundation founders in that state are personal friends of his, he might find it easy as well as illuminating to turn his questions upon them.

In the eight months that have elapsed since the CIA was discovered to have polluted the world of the foundations, neither the IRS nor Patman has shown any interest in discovering just how deeply the spies have penetrated the supposedly charitable organizations. Patman's investigations into charity, like charity itself, should begin at home. He might even tell us what good works have been supported lately by the Lyndon Johnson Foundation, established a few years ago by the President.